KATHLEEN BABINEAUX BLANCO GOVERNOR

State of Louisiana DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

JERRY LUKE LEBLANC COMMISSIONER OF ADMINISTRATION

December 29, 2005

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2006-42 - UPDATED 04/03/06

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary

Director

SUBJECT: Rate Changes for the Following Statewide Vendor Products:

American Family Life-AFLAC (30004) Cancer policies

American Heritage Life (30006) Cancer policies Colonial Life & Accident (30013) Cancer policies

Life Investors (30043) Cancer policies

American Heritage Life, Colonial Life & Accident and Life Investors will be implementing a rate increase effective July 1, 2006 for the above policies. American Family Life (AFLAC) will be implementing a re-rate (increase/decrease) effective July 1, 2006 for the above policies. By March 20, 2006, these vendors will mail letters to all agencies affected by this rate increase, along with a list of the employees' current deduction amounts and the new amounts. At the same time, letters will be mailed from these vendors to the employees affected notifying them of this change. A new Payroll Deduction Authorization Form (SED-4) with the new rates will also be enclosed with the letter.

Employees who accept the rate change must sign the forms and send them back to the appropriate vendor by May 8, 2006. Vendors will forward a signed copy of the SED-4 form to the payroll office by May 29, 2006 to be entered. Agencies should have all deduction changes entered for the July 7, 2006 payday. Employees who do not submit the signed SED-4 by the May 8th deadline will have their policies canceled upon notice from these vendors, effective July 1, 2006.

Vendors will prepare and send a list of employees who did not agree to the changed rates (did not sign the new SED-4 form) to the payroll offices by June 5, 2006. The list will indicate the employee's name, social security number, and product. A new Payroll Deduction Authorization Form, SED-4, will also be mailed to the employee and agency indicating that coverage has been canceled effective July 1, 2006. The employee signature is not required on these SED-4's. Cancellations and rate changes must be entered by the agency in eEnrollment through the Annual Enrollment process by the annual enrollment entry close of June 16, 2006 to avoid one time refunds and deductions after the plan year has begun.

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If you have any questions about the rate changes, please contact the following Administrative Coordinators for the vendors listed below:

American Family Life (AFLAC), Robin McMillan (706) 317-3765 American Heritage Life, John Alexander (800) 521-3535 ext 2676 Colonial Life & Accident, John Smith (800) 845-7330 ext 5329 Life Investors, David Louks (800) 400-3042 ext 1213

Any other questions should be directed to Angela Woods at (225) 342-5345.

JWC:ACV:kmb

c: Ray Harrison, Office of Group Benefits Robin McMillan, AFLAC John Alexander, American Heritage Life John Smith, Colonial Life & Accident David Louks, Life Investors